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Item 10 of the provisional agenda*
Forum Trust Fund

United Nations trust funds to support the United Nations Forum on Forests

Note by the Secretariat

Summary

The present note covers the programmatic activities, as at 31 December 2012, of the secretariat of the United Nations Forum on Forests funded from the Trust Fund for the United Nations Forum on Forests and the Technical Cooperation Trust Fund administered by the Capacity Development Office of the Department of Economic and Social Affairs of the Secretariat. The generous contributions of donor countries and other entities to both trust funds, which exceeded previous trust fund donations by 78.6 per cent, are gratefully acknowledged. Without them, many implementing activities would not have been possible.

* E/CN.18/2013/1.

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I. Introduction

1. In paragraph 25 of its multi-year programme of work for the period 2007-2015 (resolution 7/1, annex), the United Nations Forum on Forests called upon interested donor Governments, financial institutions and other organizations to make voluntary financial contributions to the Forum Trust Fund. Other countries in a position to do so and other interested parties were also urged to contribute to the Trust Fund. In paragraph 27, the Forum indicated that, in order to ensure transparency, the secretariat of the Forum would report to the Forum at each session on the operation of the Forum Trust Fund, including on the amount and source of contributions and a description of how funds had been expended.

II. Contributions to the Trust Fund for the United Nations Forum on Forests and the Technical Cooperation Trust Fund

2. Donor countries contributed generously to the Trust Fund for the United Nations Forum on Forests and the Technical Cooperation Fund administered by the Capacity Development Office of the Department of Economic and Social Affairs (see figure I and table 1 below). The contributions, which exceeded previous trust fund donations by 78.6 per cent and which greatly enhanced the work of the secretariat of the Forum, are gratefully acknowledged. In fact, given the present level of activities, the basic work of the Forum would not have been possible without such contributions.

Figure I
Contributions to the Trust Fund for the United Nations Forum on Forests and the Technical Cooperation Trust Fund, 2011-2012

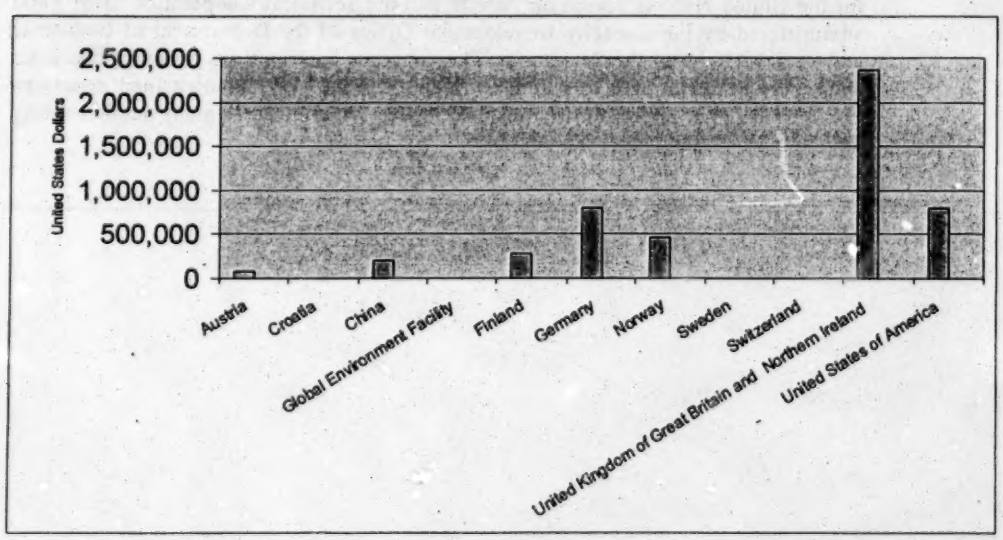

Table 1
Contributions to the Trust Fund for the United Nations Forum on Forests and the Technical Cooperation Trust Fund, 2011-2012
(United States dollars)

Contributor	*Amount*	*Percentage of total*
Austria	74 853	1.2
China	200 000	3.3
Croatia	25 000	0.4
Global Environment Facility (account administered by Capacity Development Office)	1 000 000	16.5
Finland	279 944	4.6
Germany	800 000	13.2
Norway	456 174	7.5
Sweden	28 753	0.5
Switzerland	20 000	0.3
United Kingdom of Great Britain and Northern Ireland	2 367 995	39.1
United States of America	800 000	13.2
Total	**6 052 719**	**100.0**

3. For the period 2011-2012, the contributions received in support of Forum activities amounted to $6,052,719, a more than 75 per cent increase over previous years. This is the highest level of contributions ever received in any two-year period since the establishment of the Forum in 2000.

4. It is important to note that while the overall contributions to the trust funds have increased in the past few years, 78.5 per cent of the funds are tied to projects and only 21.5 per cent are unearmarked. The importance of unearmarked funds is that they can be used by the secretariat of the Forum to hire critical staff needed to carry out the regular programme of work and to implement extrabudgetary projects on an "as needed" basis, in line with the multi-year programme of work. Increasing the percentage of unearmarked contributions would represent a positive change in the way donor contributions can be allocated.

III. Allocation of the trust funds by activity/programme area

5. The disbursement of the trust funds among projects and programme activities is illustrated in figure II and table 2 below.

Figure II
Allocation of Trust Fund for the United Nations Forum on Forests and the Technical Cooperation Trust Fund by programme area/activity, 2011-2012

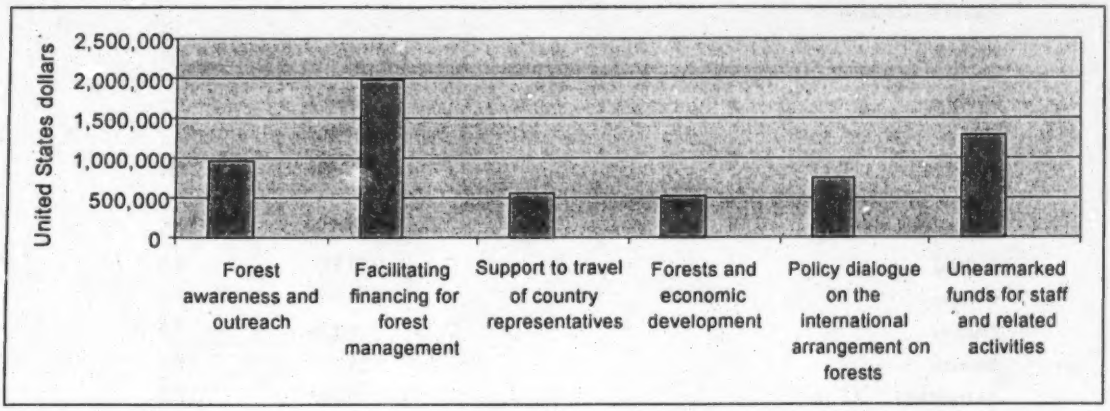

Table 2
Allocation of Trust Fund for the United Nations Forum on Forests and the Technical Cooperation Trust Fund by programme area/activity, 2011-2012
(United States dollars)

Programme area/activity	*Allocation*	*Percentage of total*
Forest awareness and outreach	965 630	16
Facilitating financing for forest management	1 972 657	33
Support for travel of country representatives	559 269	9
Forests and economic development	519 237	9
Policy dialogue on the international arrangement on forests	755 982	12
Unearmarked funds for staff and related activities	1 279 944	21
Total	**6 052 719**	**100**

IV. Use of project funds

6. In the 2011-2012 reporting period, the trust funds were used to implement projects related to the facilitative process for financing sustainable forest management; forests and economic development; outreach on forests, including the International Year on Forests, 2011; and the preliminary work on the international arrangement on forests activities.

7. It should be noted that, with the exception of the activities for the International Year of Forests, 2011, which ended in February 2012, all the other projects are still being implemented and will conclude in 2013.

V. Use of unearmarked funds

8. Unearmarked funds were used to supplement funds from the regular budget (programme 7: Economic and social affairs, subprogramme 8: Sustainable forest management) in implementing the programme of work for the first year of the current biennium. The main programme areas covered include supporting the efforts of the secretariat of the Forum to achieve the following expected accomplishments:

(a) Effective international dialogue on sustainable forest management, with a focus on forests and economic development and means of implementing sustainable forest management;

(b) Improved international collaboration and coordination on forests through more effective and better knowledge on sustainable forest management among Governments, major groups, organizations, instruments and processes, including the activities of the Collaborative Partnership on Forests;

(c) Increased awareness and political support for actions on sustainable forest management at the national, regional and global levels;

(d) Enhanced support for Member States receiving assistance in developing and implementing forest conservation and rehabilitation strategies by increasing the area of forests under sustainable forest management, in order to maintain and improve their forest resources, with a view to enhancing the benefits of forests.

9. More specifically, the unearmarked contributions were critical in funding a substantial part of the activities of the regular programme of work of the secretariat of the Forum in the 2011-2012 period, including:

(a) **Cost of conference services**. According to the Financial Rules and Regulations of the United Nations, ad hoc expert group meetings do not carry an entitlement for interpretation services, which, in such cases, can only be provided on an "as available basis". Since there were no available interpretation services for the planned second meeting of the ad hoc expert group on forest financing, held in Vienna from 14 to 18 January 2013, it was necessary for the secretariat of the Forum to cover the expenses with resources from the Forum Trust Fund. The conference servicing costs incurred, including for conference rooms, technical support and interpretation in three of the official languages of the United Nations, amounted to approximately $90,000;

(b) **Travel of representatives and experts**. Travel assistance was provided to facilitate the participation of representatives of developing countries and countries with economies in transition at the organization-led initiative on forest financing of the Collaborative Partnership on Forests, held in Rome from 13 to 17 September 2012; and at the second meeting of the ad hoc expert group on forest financing held in Vienna in January 2013. As of today, some funds are available to support the travel of representatives from developing countries and countries with economies in transition to participate in the tenth session of the Forum on Forests, to be held in Istanbul, Turkey, in April 2013;

(c) **Travel of staff**. Staff members of the secretariat of the Forum participated in many key forest-related events, including the Governing Council of the African Forests Forum; planning missions for the tenth session of the United Nations Forum on Forests; a meeting of the Global Partnership on Forest Landscape

Restoration; a strategy meeting organized by the Government of the United Kingdom of Great Britain and Northern Ireland on climate-smart agriculture, food security and interrelated resources challenges; a consultation held by the Food and Agriculture Organization of the United Nations (FAO) on preparations for the Global Forest Resources Assessment 2015; a retreat on forest-related issues linked to the outcome of the ninth session of the Forum on Forests and other joint initiatives of the Collaborative Partnership on Forests was held by the Partnership in Orvieto, Italy, on 23 and 24 June 2011; a capacity-building workshop on forest biodiversity and climate change; workshops on the facilitative process on forest financing in small island developing States, low forest cover countries, Africa and least developed countries; the second Global Conference on Agriculture, Food Security and Climate Change; the 2012 World Conservation Congress of the International Union for Conservation of Nature; the twenty-first session of the Committee on Forestry; activities related to World Forest Week; the first Interparliamentary hearing on the theme "Forests for people", convened in Kigali by the World Future Council; the eighteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change; and the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity;

(d) In accordance with its decision 2007/278, the Economic and Social Council decided that financial support to members of the Bureau of the Forum from developing countries and countries with economies in transition should cover participation in at least one meeting per year of the Bureau to be held in or outside New York, through extrabudgetary contributions to the Forum Trust Fund. Such support has been used to fund the participation of Bureau members in several meetings held in New York, the organization-led initiative held in Rome; the second meeting of the ad hoc expert group on forest financing held in Vienna; and the tenth session of the Forum on Forests to be held in Istanbul;

(e) Staff members in the Professional and higher categories were engaged using the extrabudgetary resources of the Trust Fund. In the Professional and higher categories, fixed-term temporary staff include two staff members at the P-4 level and one at the P-3 level. General temporary assistance includes two staff members at the P-3 level, one at the P-2 level and two General Service support staff members.

10. The secretariat of the Forum has only six regular budget posts for Professional staff and two posts for support staff positions. As a result, half of the secretariat staff are funded from extrabudgetary funds at an approximate cost of $4,000,000 biannually. In the past few years only $1,200,000 was received as unearmarked contributions that could be used for staff and related costs. At the time of reporting, the funds available to the secretariat will only cover six months of Professional staff time in 2013, a very precarious situation that affects the continuity of expert staff in the secretariat.

VI. Achievements and results attributable to the trust funds

11. In the past few years, the following achievements and results were directly attributable to contributions received for the trust funds:

(a) Four workshops were organized on forest financing in small island developing States, low forest cover countries, Africa and least developed countries. The workshops were attended by well over 100 country representatives and

produced more that 30 concrete recommendations on mobilizing financing for forests and addressing the associated challenges;

(b) An organization-led initiative on forest financing was undertaken in collaboration with FAO in Rome in September 2012. The meeting produced several recommendations that will help the Forum at its tenth session to reach a meaningful decision on forest financing solutions;

(c) An expert group meeting on forests and economic development, the main theme of the tenth session, was held. The meeting recommended issues to be explored in preparation for that session;

(d) Three major studies on forests and economic development were completed as background papers for the session. The studies presented the latest data and findings on the following key areas: the cash and non-cash values of forests; forests and poverty eradication; forests and their cross-sectoral linkages to the agriculture, water, energy, health, transportation, tourism and mining sectors; the landscape approach for sustainable forest management; and forests in a future world. The findings of the studies informed the organization-led initiative on forest financing held in Rome; the meeting of the Ad Hoc Expert Group on Forest Financing held in Vienna in January 2013 and the report of the Secretary-General on forests and economic development (E/CN.18/2013/4);

(e) The International Year on Forests 2011 was concluded with a closing ceremony in February 2012, featuring the first-ever Forest Heroes awards, the first-ever International Forest Film Festival, a children's art contest and a letter-writing contest;

(f) Building on the success of the International Year of Forests outreach campaign, the secretariat of the Forum launched the second Forest Heroes awards, the second International Forest Film Festival and the first-ever Forum forest photo contest;

(g) A number of multimedia communications products were produced, including the Forest Heroes video series, a short social media film entitled *Finding Balance*, an inspirational film for the second International Forest Film Festival and four public service announcements by renowned film directors inviting entries for the film festival. All of the films and videos were made available through the Forum playlist on the United Nations YouTube channel;

(h) Trust funds were used to support the travel of Bureau members and representatives from developing countries and countries in transition to the meetings held, as described above, in New York, Rome, Vienna and to the tenth session of the Forum. The importance of having a balanced representation from both developed and developing countries at Forum meetings cannot be overstated;

(i) The Forum Trust Fund has been a critical source of funding to supplement the staffing needs of the secretariat, which is compact in nature and the smallest within the Department of Economic and Social Affairs. The Forum Trust Fund currently covers the eight staff members (Professional and General Service) of the secretariat. Thus, the significance of resources from the trust fund resources to maintain the substantive work called for by the Forum from the secretariat cannot be overemphasized.

VII. In-kind contributions

12. The secretariat is grateful to FAO for having provided, since February 2012, a staff member at the Professional level (Forest Officer) on a non-reimbursable loan basis for a 21-month period. This additional resource has supplemented the staff needs of the secretariat, providing a critical role in the scientific and technical areas, including for the monitoring and reporting portfolio, which represents a key accomplishment of the secretariat with the FAO Forestry Department in the reporting period.

13. In addition to the cash contributions, the secretariat would like to express gratitude to the Government of Finland for funding a Junior Programme Officer post for the third year. The staff member played an important role in planning for the Forum-related workshops and initiatives and in providing technical support to senior staff members. At the same time, the experience spent in the secretariat undoubtedly enhanced the competency and knowledge of the Junior Programme Officer.

VIII. Priorities and challenges ahead

14. The mandates and outputs of the Forum have significantly expanded and increased since its establishment, as a result of decisions taken at a number of its sessions and at other intergovernmental forums. However, the level of resources under the regular budget and unearmarked trust fund contributions have not reflected the tasks added to the Forum's programme of work. Clearly, it is becoming increasingly difficult to absorb any additional activities within the current level of resources, and it is strongly recommended that any additional mandates made by the Forum and other forums be matched by a corresponding increase of regular budget post and non-post resources.

15. In 2013 and in the coming biennium 2014-2015, the mandate of the secretariat is expected to expand further. In particular, various provisions contained in the outcome document of the United Nations Conference on Sustainable Development held in Brazil in 2012 (General Assembly resolution 66/288) underscore the importance of forests and the work of the Forum in the implementation of the agreed actions, including provisions on a green economy, sustainable development goals, finance, technology, and regional and inter-agency cooperation. In order to implement those provisions, the secretariat will need to be strengthened by at least one additional post at the Professional level as soon as possible.

16. Furthermore, as the secretariat prepares for the 2015 review of the international arrangement on forests and the United Nations development agenda beyond 2015, the capacity of the secretariat needs to be strengthened to support the increased workload. It is strongly recommended that the Forum support all new mandates and expanded programmes of work with regular budget post and non-post resources. It is also critical that Member States increase unearmarked contributions to the trust funds in order to enable the Secretariat to maintain the level of staffing needed to implement the existing programme of work and to build capacity for the expanded programme of work.

17. When the Economic and Social Council established the Forum, by Council resolution 2000/35, and requested the Secretary-General to establish a compact secretariat, it made specific reference to strengthening the compact secretariat

through secondments of staff from the secretariats of international and regional organizations. In the past several years, such secondments have been drastically reduced, and no further commitments have been made to date except for the short-term assignment of a staff member from FAO, as mentioned in paragraph 12 above. Accordingly, the staff secondment arrangement envisioned by the Council has not proved to be a feasible and sustainable solution, and the organizations concerned are urged to revisit this issue and renew their commitments accordingly.

18. It will be critical to ensure sustained financial resources in 2013 and beyond in order to enable the secretariat of the Forum to continue to service the Collaborative Partnership on Forests as its Secretary and to remain an active partner. Such financing would enable the secretariat to carry out its mandated review of the effectiveness of the international arrangement on forests and its inter-agency activities scheduled for the 2014-2015 biennium.

19. Given the role of the Collaborative Partnership on Forests in supporting the work of the Forum, it is clear that future activities will increase and continue to require contributions from all member organizations of the Partnership. The lack of dedicated funds for the Partnership, however, has challenged the operations of the Partnership and placed financial constraints on the secretariat of the Forum. The existing resource limitations and growing expectations of the governing bodies of the Partnership have, to a large extent, unbalanced the division of work within the Partnership and had a substantial impact on Forum Trust Fund allocations. It is strongly recommended that resources for a regular budget staff member be provided in order to ensure continuity in the planning, coordination and delivery of the workplan of the Partnership, including its existing joint activities and forthcoming initiatives.

IX. Pledges

20. The secretariat would like to take the opportunity to express its gratitude to the Government of Turkey for offering to host the tenth session of the Forum in Istanbul in April 2013. At the time of reporting, the host country agreement between the Government of Turkey and the Department of Economic and Social Affairs has been concluded and signed. The Government of Turkey is to expend approximately $6,400,000 on the additional costs involved in hosting the session outside of New York, including for conference services and the travel of United Nations staff members to service the session. The Government of Turkey has also generously offered to cover the travel of representatives from developing countries and countries in transition to participate in the session. In addition, the Government of Turkey has offered to pay for tickets for one minister and another individual from each of the developing countries and countries with economies in transition to participate in the two-day ministerial segment during the tenth session.

21. At the time of reporting, the Government of the Russian Federation had pledged an annual contribution of $300,000, starting in 2014.